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NORVALIE MINES LIMITED

(Incorporated under the laws of the Province of Ontario)

ANNUAL REPORT

For the year ended April 30, 1965

OFFICERS

K. A. DAVIS	- - - - -	President
R. A. HALET, Ph.D., P.Eng.	- - - - -	Vice-President
J. L. NOBLE	- - - - -	Secretary-Treasurer

DIRECTORS

K. A. DAVIS	- - - - -	Toronto, Ontario
R. A. HALET, Ph.D., P.Eng.	- - - - -	Toronto, Ontario
J. M. MACINTOSH, Q.C.	- - - - -	Toronto, Ontario
J. L. NOBLE	- - - - -	Toronto, Ontario
J. DOUGLAS STREIT	- - - - -	Toronto, Ontario

REGISTRAR AND TRANSFER AGENT
GUARANTY TRUST COMPANY OF CANADA
Toronto

HEAD OFFICE
80 Richmond Street West
Toronto, Ontario

NORVALIE MINES LIMITED

Report of the Directors

To the Shareholders:

Your directors are pleased to submit the annual report of your company together with the financial statement and the auditors' report for the fiscal year ended April 30th, 1965.

Your directors have called a special shareholders' meeting, in conjunction with the annual meeting of the company, to consider and, if deemed advisable, ratify the special resolution enacted by your directors with regard to the reduction of the capital of the company by the cancellation of 2,010,833 issued shares and a subsequent increase in capital to \$5,000,000 by the creation of an additional 2,010,833 shares. The resolution also calls for the name of your company to be changed from Norvalie Mines Limited to "International Norvalie Mines Limited".

The purpose of this re-organization is to have the capital structure in such form as to enable your company to exploit its option on the controlling block of treasury shares in an Irish company — Ballycooleen Exploration Company Limited. If the company's option is exercised in full it will acquire 350 shares of Ballycooleen for \$350,000, being 54% of the issued capital. Norvalie's preliminary commitment is to provide \$25,000 for work on the Irish properties of Ballycooleen.

Ballycooleen holds two prospecting licenses, issued by the Government of the Republic of Ireland, covering a total of 13 square miles. The applications for these licenses represent nearly four years of exploration effort during which time 19,000 square miles of the country were surveyed.

Anomalies on both licenses were discovered by stream sediment sampling. These were checked by soil sampling and by self potential surveys. From his examination of the property and the results of the surveys, the company's consulting geologist, G. F. Flaherty, Ph.D., recommends an initial program of diamond drilling. The results of this program will determine the future development of the properties.

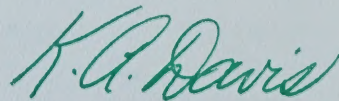
Prospecting license No. 398 covers an area of three square miles and is located two miles south of the St. Patricks Copper Mines. Prospecting license No. 417 covers an area of 10 square miles and is located near Bunmahon Copper Mines, 25 miles west of Waterford on the south coast of Ireland.

To date, in the Republic of Ireland, four large metal mines have been indicated. Northgate's Tynagh property is already in production. Consolidated Mogul's Silvermines property is preparing for production. Feasibility studies are being carried out on Gortdrum Mines' Tipperary property and intensive exploration is being carried out by the Rio Tinto Group on its Keel project in Longford County.

An underwriting and option agreement has been entered into with Alator Corporation Limited, subject to the approval of the Canadian Stock Exchange and the Quebec Securities Commission, which will, if exercised in full, provide your Company with \$500,000. Alator's firm commitment is to supply \$60,000 by an underwriting of 200,000 shares at 30¢ per share.

Respectfully submitted on behalf of the Board of Directors,

DATED at Toronto, Ontario,
this 22nd day of November,
1965.



President.

NORVALIE MINES LIMITED

BALANCE SHEET AS AT 30 APRIL, 1965

ASSETS

CURRENT		
Cash in bank		\$ 1,470.22
INVESTMENTS, at book values		
Listed shares (market value \$7,065.00)	\$ 3,079.50	
Other shares	16,261.80	19,351.30
OTHER		
Mining property at cost		146,310.00
		<u>\$167,131.52</u>

LIABILITIES

CURRENT		
Accounts payable		\$ 4,879.70
CAPITAL		
Authorized — 5,000,000 shares of \$1.00 par value		
Issued and fully paid — 2,975,000 shares	\$ 2,975,000.00	
Less: Discount thereon	1,736,784.60	
	1,238,215.40	
DEFICIT — per statement attached	1,075,963.58	162,251.82
		<u>\$167,131.52</u>

Approved on behalf of the Board of Directors:

K. A. DAVIS, Director.

R. A. HALET, Director.

SCHEDULE OF EXPENDITURES for the year ended 30 April, 1965

ADMINISTRATIVE		
Secretarial and office	\$1,200.00	
Stock transfer agent	420.81	
Annual meeting and report	399.13	
Audit fee	225.00	
Stock exchange fees	200.00	
Corporation fees and tax	152.44	
Sundry	7.29	\$2,604.67
EXPLORATIVE		
Management fee	\$ 600.00	
Property taxes	366.70	
Grubstake participation	200.00	1,166.70
		<u>\$3,771.37</u>

STATEMENT OF DEFICIT for the year ended 30 April, 1965

Balance at 1 May, 1964	\$ 531,497.65
ADD: Cost of mining claims abandoned	35,000.00
Deferred expenditures at 1 May, 1964	507,477.55
Advance receivable written off	150.00
Administrative expenditures of 1965	2,604.67
Explorative expenditures of 1965	1,166.70
	<u>\$ 1,077,896.57</u>
DEDUCT: Gain on disposal of investments	1,932.99
Balance at 30 April, 1965	<u>\$ 1,075,963.58</u>

AUDITORS' REPORT

To the Shareholders of Norvalie Mines Limited:

We have examined the attached Balance Sheet of Norvalie Mines Limited drawn up as at 30 April, 1965 and the related Statement of Deficit for the year ended on that date. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the attached Balance Sheet and related Statement of Deficit presents fairly the financial position of the company at 30 April, 1965 and the results of its operations for the year ended on that date.

Toronto, Ontario,
28 May, 1965.

HALLADAY, ROBINSON & COMPANY,
Chartered Accountants.

July 1965

IRELAND

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PROSPECTING LICENCES OF
**BALLYCOOLEEN EXPLORATION COMPANY
LIMITED**